



The Office Of
State Treasurer
Denise L. Nappier

News

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Most Connecticut Businesses Will Pay Lower Assessments in FY2009 to Treasury's Second Injury Fund

Rates Paid by Businesses Have Not Increased for Ten Consecutive Years

HARTFORD -- Connecticut Treasurer Denise L. Nappier announced today that the vast majority of state businesses will see a reduction in the amount of money they will be required to contribute to the state's Second Injury Fund (SIF) for fiscal year 2009, which began on July 1. Because of management reforms and tighter fiscal controls, rates will be maintained and the dollar amounts paid by insured businesses will be reduced.

The Treasury estimates that Connecticut businesses (including those that are self-insured) will pay \$36 million in assessments in FY 2009, which is down from the \$44 million that will be paid by the end of the current fiscal year (2008), and the \$55 million that businesses paid in FY 2007.

The Second Injury Fund, administered by the Office of the State Treasurer, is a form of workers' compensation -- financed by assessing Connecticut businesses -- that was originally created to pay benefits to eligible workers in Connecticut who had pre-existing medical conditions and then incurred a second injury on the job. In accordance with state law, the Treasurer has the authority to establish the assessment rate, which is set annually.

Nappier reported the assessment rates for businesses using insurance companies, will decrease from 3.5% to 3% for regular policies and from 2.8% to 2.4% for assigned risk policies. The rate for self-insured employers will decrease from 6.7% to 4.7%.

During the entire length of the Nappier Administration, the Fund has not seen a rate increase. In fact, in six of those ten years, the rates (for both insured and self-insured businesses) have actually dropped.

"We have consistently been able to reduce or maintain rates at a time when other business costs have been escalating," Nappier said. "This offers a measure of relief to Connecticut employers, and we've been able to accomplish the rate reductions while remaining true to our mission of providing quality service both to the injured workers and the employers."

Under the Nappier administration, overall rates paid by employers through insurance companies have dropped by 70%; self-insured employers have seen a 67.6% reduction. The rates are now

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the lowest they've been in a decade, with total savings to Connecticut businesses from reduced rates and lower payments expected to reach \$404 million.

“Sensible, sound fiscal planning, coupled with bold and effective management reforms have brought solid results for Connecticut businesses, making a difference where it counts most, on the bottom line,” said Nappier.